

## **Curves Working Out, Thanks to SBA Loan**

She lost 50 pounds, and liked the franchise where she shed the weight so much that she bought the place.

Alicia Berry (*right*) started out making her way to the Curves location in rural McCook, Neb., to take advantage of the 30-minute low-impact cardio and strength circuit training and the state-of-the-art personal coaching system the nationwide chain offers to help her get into better shape.



Losing the weight did wonders for Berry's self-confidence and personal image; eventually after working for the health club for a couple of years, she decided to take the leap and run the place herself. Curves franchises its brand and methods to more than 10,000 franchises in 70 countries around the world, and offers training, mentors and on-going support services to individual club owners.

Setting the stage for the business purchase, the Nebraska District Office offered face-to-face training to commercial lenders at First Central Bank's Cambridge, Neb., location Jan. 20, 2009, on the SBA's programs, including Community Express loans. Lender Relations Specialists Deborah Wilson and Suzanne Stearman spent three hours with bankers from several of its branches, including Mark Searcey of McCook.

The location of the business in McCook is considered by the SBA to be an underserved or distressed tract. Wilson and Stearman explained to the bankers how to leverage the designation and eligibility for Community Express loans to help get needed capital to the local business.

Berry visited Searcey in December 2009 in search of funds to purchase the franchise, and Searcey turned to Stearman for help with the SBA loan process. Stearman discussed with the lender over the phone the rules on eligibility, available programs, terms, and the use of E-tran to file an application.

"The biggest thing was collateral," Searcey said of the bumps on the way to making Berry a Curves franchise owner. "There's a membership valuation, but not a lot of hard assets as far as real estate and equipment, which is why we turned to the SBA." The banker was motivated to keep a local business viable in McCook, a small town of 7,500 with a median household income well under the state average, but the bank also wanted to minimize its risk. "We thought it would be a good fit."

Berry was approved Feb. 2 for a \$70,000 loan under the SBA's Community Express program to buy the franchise, and Searcey was there March 15 for the ribbon-cutting ceremony for the new owner. The health club currently employs two-part-timers, and Berry is talking about expanding operating hours and adding another part-timer to the staff. But Berry isn't content with just running her own business – she often heads off to visit the local schools for presentations on fitness, and offers a weight loss program for anyone interested – not just those with a Curves membership card.

SBA business is booming at First Central Bank, too. Since the face-to-face training with Wilson and Stearman from the Nebraska District Office last January, the bank has gotten approval for four SBA loans for more than a half million dollars; in the previous seven years, the bank made only two token SBA loans.